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Department of Defense INSTRUCTION

November 3, 1995
NUMBER 1015.10

FMP

SUBJECT: **Programs for Military Morale, Welfare, and Recreation (MWR)**

- References:** (a) DoD Directive **1015.2, "Morale, Welfare, and Recreation (MWR),"**
June 14, 1995
(b) DoD **Instruction** 1330.18, "Resale Activities Conducted **With the** Use of
Nonappropriated Funds, **Other** Than by Military Exchanges," August 28, 1974
(hereby canceled)
(c) DoD **Directive** 1015.8, "DoD Civilian Employee Monk **Welfare** and
Recreation **(MWR) Activities** and **Supporting Nonappropriated** Fund
Instrumentalities (NAFIs)," October **22,** 1985
(d) DoD **Directive** 1330.9, "**Armed Services Exchange Regulations,**"
December 15, 1986
(e) through (z), **see enclosure 1**

A. PURPOSE

This Instruction

1. Implements policy, assigns responsibilities, and prescribes procedures under reference(a) for operating and managing programs **for** military **MWR**.
2. Replaces reference (b). Civilian Employee MWR programs are addressed in reference (c).

B. APPLICABILITY AND SCOPE

This Instruction:

1. Applies to the Office of the **Secretary** of Defense, the Military **Departments** (including the Coast Guard when it is not operating as a **Military** Service in the Navy by agreement with the Department of Transportation), the Chairman of the Joint Chiefs of Staff, the **Unified** Combatant Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components"); and the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration under agreements with the Departments of Health and Human Services and Commerce. The term 'Military Services,' as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.
2. Creates no rights or remedies and may not be relied upon by any person, organization, or other entity to authorize a denial of any rights or remedies.

3. Does not apply to Armed Semites Exchange Operations unless specifically stated. (See DoD Directive 1330.9 (reference (d)).)

c. **DEFINITIONS**

Terms used in this Instruction are defined-in enclosure 2.

D. **POLICY**

It is DoD policy under DoD **Directive** 1015.2 (reference (a)) as follows:

1. **Purpose of MWR.** The DoD Components shall establish **MWR programs** to maintain mission **readiness** and productivity. To accomplish these ends, these programs promote fitness and esprit **de** corps of members of the Armed Forces, a strong sense of military community, and beneficial quality of life for authorized patrons. Authorized patrons are identified in enclosure 3.

a. **Peacetime.** Provide **MWR** programs, based on the assessed needs of local patrons, that:

(1) Support military readiness through physical fitness.

(2) Support needs for camaraderie and unit **cohesion**.

(3) Promote individual growth and development.

(4) Support **family** well-being and quality of life.

(5) Provide the DoD installation community with access to programs similar to those available in a comparable civilian community.

(6) Are perceived as a valued benefit of being part of the military.

b. **Readiness Contingencies and/or Deployments.** Provide **MWR programs**:

(1) To deployed units that meet needs for unit cohesion and individual stress relief.

(2) To continue to support installation communities, adjusting to support family members and other authorized patrons.

2. **MWR Programs.** MWR programs are vital to mission accomplishment and form an integral **part** of the non pay compensation system. These programs provide a sense of community among patrons and provide support services commonly **furnished** by other employers, or other State and local governments to their employees and citizens. **MWR** programs encourage positive individual values, and aid in recruitment and retention of **personnel**. They provide for the physical, cultural, and social needs and **general** well-being of Service

members and their **families**, providing **community support systems** that make DoD **bases** temporary hometowns for a mobile **military** population.

3. **Categories of MWR.** The DoD Components shall follow established categories of **MWR** program for uniformity of funding and reporting. AU management and financial data reported **shall comply** with DoD **Instructions** 1015.1 and 1330.20 and DoD 7000.14-R (references (e), (f), and (g)). A listing of **MWR** programs within each of the following categories (paragraphs **D.3.a.** through c., below) is at enclosure 4.

& **Category A: Mission Sustaining Program.** These programs are considered most essential in **meeting** the **organizational** objectives of the Military **Services**. The programs shall be **supported** almost entirely with appropriated **funds (APF)**, with the use of nonappropriated funds (**NAF**) limited to specific instances where APF **are** prohibited by law or where the use of NAF is **essential** for the operation of a facility or program. **Programs** in this **category** have virtually no capacity **for** the generation of nonappropriated revenues. Programs within this category promote the physical and mental well-being of the military member, a requirement that supports accomplishment of the basic military mission. Some examples are physical fitness facilities, libraries, and unit **level** sports.

b. **Category B: Community Support Programs.** These programs are closely **related**, in terms of supporting the military mission, to those grouped in Category A. They satisfy the basic physiological and psychological needs of Service members and families, providing, to the extent possible, the community **support** systems that make DoD installations temporary home towns for a **mobile** military population. These support programs should receive substantial amounts of APF **support**, but differ **from** those in Category A, in **part**, because of their ability to generate **NAF** revenues. That ability to generate revenues is limited, however, and in no case **could** they be sustained without substantial APF support. Some examples **are** automotive skill **development**, youth activities, child development programs, arts and crafts skill **development**, and outdoor recreation.

c. **Category C: Revenue Generating Programs.** Activities in this group have the business capability of generating enough income to cover most of their operating expenses, but they lack the ability to sustain themselves based purely on their business activity; consequently, they receive limited **APF** support. Some examples are golf courses, clubs, bowling, boating activities, etc. Revenue Generating Programs at designated **MWR** remote and isolated locations may receive the same type of APF support as Category B programs. Criteria for remote and isolated locations are in enclosure 5.

4. **Strategic Plans.** **MWR** programs shall be strategically planned and implemented using business management practices to fulfill local needs, while maintaining the readiness capability to support the wartime mission and to meet quality, fiscal, **health**, and safety **standards**.

a. **Planning.** The DoD Components shall ensure that short- and long-term plans are established and maintained.

(1) **Short-Term Plans.** A comprehensive annual review of all **MWR** programs and financial **resourcing** that ensures program delivery is consistent with the DoD Component and Military Services' goals and objectives.

(2) **Long-Term Plans.** A strategic plan that aligns **organizational** goals and objectives with **resourcing**, responsibilities, and implementation **timelines**. The minimum planning period for long term plan is 5 years.

b. **Standards.** The DoD Components shall develop goals and **standards** for the **MWR** program. At a **minimum**, these standards shall include the following

(1) **Program.** Ensure **MWR** programs meet mission requirements and are market driven. The DoD Components shall periodically measure customer demand, usage, and **satisfaction**, and act upon findings.

(2) **Financial.** Ensure **MWR** programs are **resourced** with APF and NAF according to financial categories, and ensure installation **MWR** nonappropriated fund **instrumentalities (NAFIs)** are financially sustainable. The DoD Components **shall report** results according to guidance in enclosure 7.

(3) **Construction.** Ensure **MWR** facilities adequately support programs and services that meet the demands of authorized patrons. **MWR** construction programs shall be supported by **feasibility** studies, as described in DoD Instruction 1015.1 (reference (e)), and should seek solutions that provide long-term economies of scale and efficiencies, such as multi-use facilities.

(4) **Training.** The DoD Components shall provide training programs that stress stewardship and customer orientation to ensure, as a **minimum**, that **commanders** and **MWR** managers understand fiduciary accountability and program **responsibilities**.

5. **Funding.** **MWR** programs should receive funding at the same level as other **support-** programs. **MWR** programs shall be **resourced** from either APF or NAF or a combination of both. NAF expenditures for valid **MWR** purposes are not an augmentation of appropriations.

a. **Funding Sources.** The Department of Defense is responsible for oversight of the total APF and NAF **resourcing** of **MWR** programs, including major force structure changes, selected individual program growth, and new **market-oriented MWR** programs. Specific APF authorizations for elements of resource are shown in enclosure 6. The standards for **APF** support are shown in enclosure 7. The DoD Components shall report annually on the status of meeting the standards.

b. **Common Support.** A support function that serves more than one **MWR** program does not constitute authorization for APF support. The authorization for APF support depends on the nature of the program being supported. (See definitions, enclosure 2.) Reporting of common support is outlined in reference (e).

c. **Contractors and/or Concessionaire**. Unless addressed specifically by **contract**, a contractor or concessionaire of **NAFIs** who sells or provides authorized **MWR** products or **services** is entitled to the **same** level of APF support authorized for the applicable **MWR** program and the APFs shall be used strictly on the **MWR** program.

d. **Fees**. **MWR** programs may charge fees to cover **NAF** costs associated with management and maintenance of APF **provided** equipment or materials.

e. **Merchandise Pricing**. Except when authorized by Military **Service** regulation, no merchandise may be given away or sold for less than cost. No authorized patron shall receive special **prices** or privileges not available to other patrons. This does not prohibit tailoring unique promotions to major target groups (families, single **personnel, retirees**, etc.) as a means of increasing participation. Special prices and privileges shall not be given to **functions** designated as "**command-sponsored**." Prices for tobacco products, when authorized to be **sold**, shall be no lower **than the** selling **prices** of identical items sold by **military** exchange retail stores.

6. **Joint Service Operations**. When providing **MWR** programs, joint Service **MWR** initiatives are encouraged and should be considered as the first alternative to providing a **service**. The DoD **Components** shall update the Assistant Secretary of **Defense** for Force Management Policy (**ASD (FMP)**) on current status and future plans for DoD Component joint Service initiatives.

7. **Use of MWR NAFs**. NAFs that are generated **from MWR** programs or associated with **MWR** programs shall only be used within **MWR** programs. **The** Secretaries of the Military Departments may approve limited waivers for programs closely associated with **MWR** activities. Unauthorized use of NAFs is addressed in DoD Instruction 1015.1 (reference (e)).

a. **Command-Sponsored**. Official command-sponsored programs are normally authorized APF support. **MWR** NAFs shall not be used in **support** of such functions.

b. **Private Support**. **MWR** programs are not authorized to provide NAF financial assistance to private **organizations** or individuals, **unless** reimbursed or as authorized by other regulations or statute. **MWR** programs shall not distribute, transfer, or donate NAP property or assets to a private **organization**, unless authorized by other regulations or statute. Individuals, units, **organizations**, or installations shall not have proprietary interest in NAFs and NAFI assets. NAPs shall be used for the collective benefits of patrons who generate them. Fees and charges are assessed owners of privately-owned horses, boats, recreation vehicles, or aircraft that are stabled, moored, provided utilities, or rendered other Government or NAP support.

8. **Cash Accumulation**. The DoD Components shall develop and implement policies to transfer all cash in excess of a military installation's **MWR** requirements to a single NAF **MWR** account of each Military Service to be used in accordance with Military **Service** priorities for **MWR** programs and capital improvements. Specific **guidance** is addressed in reference (e).

9. **Customer Focus.** To fulfill the **MWR** mission, the DoD components shall establish and operate **customer-driven MWR** programs as determined by periodic market analysis for the benefit of **authorized** patrons.

a. **Market Analysis.** **MWR services and products** shall **be determined by the market as measured** by **sales**, market **research**, **patron affordability**, and **the ability to** maintain **financially** viable operations.

b. **Information Management.** **Appropriate** management information systems shall **meet reporting** requirements of the **installation**, major command **Military Services**, and the **Department** of Defense. Automated data **processing (ADP)** systems shall use open system architecture that **facilitates** interchange of data among different systems. The Military Services shall enhance ADP cooperative effort initiatives.

c. **MWR Programs.** In reviewing programs to **determine** whether **current MWR** programs should be continued or enhanced or new **MWR** programs be **established**, the accessibility and capabilities of existing exchange service, on base **commercial**, or civilian community **MWR** alternatives, as well as current and planned **MWR programs** of adjacent DoD installations, shall be considered. Installations should rely on local **community programs to the** fullest extent practicable. Separate installation **programs** should be established only when the local community programs do not meet local **installation** requirements or when they are not **cost-effective**.

d. **Community Agreements.** The DoD Components **are** authorized to establish agreements with local governments for use of similar Category A and B **MWR** programs when it is in the best interest of the Department of **Defense**, and when the provision of such agreements are otherwise in compliance with applicable law and regulation. When existing **Category C programs** have capacity excess to **authorized** patron requirements, the Secretary of the Military Department may grant waivers for **local** community use on a case by case basis. Authorized patrons are in enclosure 3.

e. **Commercial Alternatives.** **The** DoD Components should consider the **cost-effectiveness** of using exchange service alternatives, on base commercial activities, or local community alternatives to operate **MWR** programs on a case-by-case basis. (See specific guidance on contracts for physical fitness support in enclosure 8.)

10. **Unauthorized Activities.** The DoD Components shall not operate the following activities and **programs**:

a. Lotteries or sale of lottery tickets.

b. Pull-tab bingo.

c. Sale of firearm or **ammunition**, except in rod and gun clubs, outdoor **recreation programs, community recreation sports centers**, skeet and **trap programs**, 01 **other MWR** Category B programs as **determined** by the **installation** commander.

d. Sale or redemption of chit books related to the sale of alcoholic beverages.

C. Award Of **coupons for reduced prices on alcoholic beverages or tobacco products**.

f. Sale of State excise **tax-free** tobacco products through vending machines.

11. **Special Activities**. The DoD Components may operate the following special interest activities and programs:

a. **Gaming**. Before conducting games or related **entertainment** activity, personnel shall review **applicable** provisions of the Standards of Conduct and Joint Ethics Regulation (**references** (h) and (i)).

(1) **Amusement and/or Recreation Machines**. In overseas locations, unless prohibited by host-country laws or agreements, the Military Services may operate slot machines or other recreation machines that **return** money or tokens redeemable in money. Payouts **from recreation** machines and use of revenues shall be **determined** by the Military Services.

(2) **Bingo**. May be played on installations within the United States, its territories, and possessions that are fully ceded to the U.S. Government and on those installations that are not fully ceded where playing bingo is allowed within the local civil jurisdiction, State, territory, or **possession**. Bingo maybe played at installations in foreign countries when not prohibited by host-country laws or **agreements**.

(3) **Raffles**. May be played on installations within the United States, it territories, and possessions that are fully ceded to the U.S. **Government** and on those installations that **are** not fully ceded where playing raffles is allowed within local civil jurisdiction, State, territory, or possession. **All raffles** will comply with applicable Federal laws (e.g., 18 **U.S.C.** 1301, reference **(j)**). **Raffles may be played at installations** in foreign countries when not prohibited by **host-**country laws or agreements. Review of **all** raffles proposals for legal sufficiency is required. Raffle promotions, sale of refile tickets, and award of prizes shall take place on the sponsoring installation. Participation of local national personnel is prohibited. Raffles shall be structured to at least cover costs of conducting the raffle. Raffle tickets shall clearly state the maximum number of tickets offered for sale in the raffle.

(4) **Monte Car10**. Monte Carlo is a scheduled event that provides games and activities played exclusively for **entertainment** and does not provide any monetary gain in the form of legal tender to the participant. This does not preclude the award of prizes (**non-**monetary). Once a patron purchases the necessary instrument; that is, tickets, chits, or chips, for use to participate in the available games and activities, no reimbursement may be made for unused or accumulated instruments. **In** the United States, Monte Carlo games shall conform to

state and local **requirements** unless these events **are** played at inflations under exclusive Federal **jurisdiction**. **International agreements** apply overseas.

b. **Entertainment**. **Entertainment** and social events shall adhere to standards of good taste and shall not promote environments that are perceived as insulting to the audience. Programs that may offend the audience, including topless or nude entertainers or participants, shall not be permitted. Each **event**, when viewed in the context of both local **and** Service **standards**, must be able to **withstand** objective scrutiny.

c. **Commercial Sponsorship**. see enclosure 9.

d. **Advertising**. See **enclosure** 10.

12. **Staffing**. Although NAF employees provide the primary **source** of **staffing**, **MWR programs are authorized** APF staffing for Executive Control and Essential Command Supervision (**ECECS**) (see definition 12, enclosure 2) and in accordance with the appropriate funding category specified in enclosure 6. Military personnel maybe assigned based on **paragraphs D.12.b. through d., below**.

a. **Civilian Personnel**. The DoD Components shall staff **MWR** programs **primarily** with civilians. NAF civilian employee personnel policies shall be in accordance with DoD Instruction 1401.1 (reference (k)).

b. **Permanent Military Personnel**. May be assigned when filling:

(1) A position in a Category A or B (mission sustaining and/or community support) **program**, when the Military Service determines assignment of military personnel is required to support wartime or contingency operations, is **required** based on past practice, or is required for overseas rotation.

(2) An **ECECS** position based on the criteria in subparagraph **D.12.b.(1)**, above, or when the position cannot be **filled** effectively with civilians.

(3) A life guard position at a Category A **swimming pool**.

c. **Temporary Military Personnel**. May be placed on temporary assignment to **MWR** programs, to include detail and temporary duty, for a period not to exceed 90 days, unless a longer period is approved by the head of the DoD Component concerned. Temporary assignments may be made **only** under the following conditions:

(1) Fleet Marine Force Personnel Assistance Program (**FAP**) personnel are not occupying table of organization billets and are required to carry out the provisions of the FAP. (No personnel shall be used to **fill Category C** program positions.)

(2) Mobility or deployment requirements occur.

(3) Training to upgrade or maintain essential military skills cannot be provided through other **means**.

d. Volunteer **Military Personnel**. This **Instruction** is not intended to discourage officer and enlisted volunteers or NAF part-time or off-duty employment of enlisted **personnel**.

e. **Seasonal Employment**. The assignment of **APF** seasonal over-hire personnel employed under **summer** youth hire program and other DoD and **non-DoD funded** programs is encouraged where authorized.

13. **Installation MWR Support**. The DoD Components shall provide **MWR** support to **all** DoD personnel and **activities supported** by the installation, in compliance with "Authorized **Patronage**" definitions of enclosure 3. Tenants shall receive **MWR** services **from** the host installation or community and shall not duplicate those services.

a. **Interagency Support**. The installation or community commanders shall provide **MWR** support for **all** Military Service **organizations**, units, individuals, and DoD Agencies located on an **installation** or in a community. Exceptions may be granted under agreements between the Military Departments or Defense Agencies concerned. DoD Instruction 4000.19 (reference (1)), applies to inter-Service, interdepartmental, and interagency **support**.

b. **Interagency Patronage**. All personnel assigned or working for tenant organizations and units shall be afforded the opportunity to participate in **MWR** programs as **determined** by patron authorization (enclosure 3).

14. **Base Realignment and Closure (BRAC)**. **MWR realignment** and **closure costs** are authorized funding from **all BRAC** accounts. APFs may finance **MWR** costs that are **direct** result of an approved BRAC action.

a. **BRAC Funding**. **MWR** programs may use BRAC funding for costs affecting personnel (civilian severance, civilian permanent change of station (PCS), **outplacement**, transportation of **property**, etc.). Such funding may also be used for planning and design, minor construction, or operations and maintenance. This includes the cost equal to the depreciated value of the **MWR** NAF investment in acquisition, construction, or improvement of real property and facilities.

b. **Redesignation**. At BRAC closure designated locations, Category C **MWR** programs shall be **considered** as "**Remote** and Isolated" at a time determined by the Military Service or DoD Component concerned to support a reasonable level of **service** to the **remaining** population. Conversions of a position **from** NAF to APF and APF to NAF is prohibited after the announcement of the closure of the activity. Programs shall continue to provide essential needs.

c. **Property**. **MWR** NAF personal property belongs collectively to the Service members and is not considered APF Government property. At BRAC locations, this NAF property may be

removed at the Military Semite or DoD Component's discretion. Every effort should be made to ensure the local redevelopment authority is aware of this difference from **APF** property. **APF** purchased **MWR** property is considered Government property subject to normal BRAC rules.

d. **NAF Treasury BRAC Account.** Proceeds **from** the sale at **BRAC** sites of NAF **real** property or facilities **acquired, constructed, or improved** with NAF shall be deposited in a reserve **Treasury** BRAC account. The amount deposited shall be equal to the depreciated value of the investment made with such **funds** in the acquisition, **construction**, or improvement of that particular real property or facility. The Secretary of Defense may use amounts in the account for **acquiring, constructing, and improving NAFI real property** and facilities.

15. **Resale.** **MWR** programs may engage in resale activities and services that are **directly** related to their program as defined in enclosure 4. Such activities shall be **NAF-operated**. **Otherwise**, military exchanges shall be the primary source of resale merchandise and services on DoD inflations. **MWR** programs shall **obtain**, in advance, written right of **first refusal from** the exchange **service** to operate any other resale or service activity.

a. **Consignment.** Sales maybe conducted only when authorized by the DoD Component. Adequate controls shall be established to safeguard against NAF liability for the merchandise.

b. **Services.** The sale of services in which income is received is not considered resale but is defined as participation fees and charges or dues and assessments.

16. **Child Care.** See DoD Instruction 6060.2 (reference (m)).

17. **MWR Support to Military Missions in Foreign Countries.** See enclosure 11.

18. **Alcoholic Beverages.** See enclosure 12.

19. **Lodging**

a. **PCS Locking.** The Military **Service** concerned shall determine the method of delivery of lodging services for PCS personnel. **MWR** programs (to include exchange services) may provide lodging needs for PCS **personnel** and their families. When these PCS needs are met by **MWR** operating facilities or the facilities are built and maintained by **MWR** NAFs, they shall be apart of the single **MWR** NAFI and shall operate as a Category C Revenue Generating activity. When such facilities are built and maintained or operated by other than the **MWR** program or exchange service, they shall be a separate fund, designated as a Lodging or Billeting **fund**, independent of the single **MWR** fund. These facilities are provided to meet the traveling needs of active duty members and their families who **are** in a PCS status and normally provide some type of kitchen facilities. PCS style lodging facilities may also be used by individuals who are in a **temporary duty (TDY)** status and other authorized patrons; however, PCS personnel have priority use.

b. **TDY Lodging**. Official travel quarters, which are called temporary unaccompanied **personnel housing (TUPH)**, are the primary source of quarters for TDY personnel and shall be used if available. PCS personnel and their families may use **TUPH**. TUPH shall be a separate fund, designated as a Lodging or Billeting fund, independent of the single MWR fund.

20. **Standards of Conduct**. The standards of conduct published in DoD Directive 5500.7 (reference (h)) and DoD 5500.7-R (reference (i)) are applicable to personnel assigned to or employed by MWR program, services, and entertainment. Violations by personnel subject to the Uniform Code of Military Justice (UCMJ) (reference (n)) are punishable under reference (n).

21. **Equal Opportunity**. The non-discriminatory provisions in DoD Directives 1350.2 (reference (o)) and 1020.1 (reference (p)) are applicable to MWR programs, services, and entertainment, and shall guide MWR officials and employees in the performance of their duties.

22. **Fiduciary Responsibility**. NAF are Government funds entitled to the same protection as funds of the U.S. Treasury. NAF are designated for the benefit of authorized patrons and the purposes of the NAFI. There is an individual fiduciary responsibility for properly using NAF and preventing waste, loss, or unauthorized use. The Department of Defense encourages the reporting of suspected violations at the lowest organization level possible. However, reports may be made to senior management, organizational inspectors general, or to the Department of Defense Hotline. Commanders are responsible for prompt detection, proper investigation, and appropriate corrective action. Individuals reporting NAF violations are protected from reprisal. DoD Directive 1401.3 (reference (q)) is applicable to NAF employees and employers and contains protections and responsibilities in NAF whistleblower cases in accordance with DoD 7000.14-R (reference (g)). Commanders shall take appropriate action against present and former personnel responsible for violations. In cases of a serious criminal infraction, commanders shall refer the matter to the appropriate Defense criminal investigative organization for investigation and referral to judicial authorities. Under 10 U.S.C. 2783b (reference (r)), penalties for substantial violations of regulations governing the management and use of NAF by civilian NAF employees shall be the same as provided by law for misuse of appropriations by civilian employees of the Department of Defense paid from APFs. Violations by personnel subject to the UCMJ (reference (n)) are punishable under reference (n).

E. **RESPONSIBILITIES**

1. The Assistant Secretary of Defense for Force Management Policy, under the Under Secretary of Defense for Personnel and Readiness, shall:

a. Serve as the principal point of contact on all MWR policy matters with the DoD Components.

b. Develop policy and guidance to ensure proper administration and management of MWR programs and monitor compliance thereof.

c. Develop a DoD MWR strategic plan.

- d. Develop DoD **MWR** goals.
- e. Require minimum **MWR standards** and monitor compliance.
- f. **Oversee** total APF and/or NAF **resourcing** of **MWR** programs.
- g. **Establish** working groups with representatives from **Components** throughout the **Department of Defense to assist in formulation and review** of **MWR** policies.

2. The **Heads of the DoD Components** shall:

- a. Designate a focal point to perform **control**, coordination **oversight**, and information management functions for **MWR** program.
- b. Develop Military Service standards for all **MWR** programs in support of DoD goals.
- c. **Ensure** effective **short-** and long-term planning for **MWR**.
- d. Fund **MWR** programs with the proper fund sources. Ensure **respective** funding streams are **identified** in annual budgets to **meet MWR** goals.
- e. Ensure installations operate market driven **MWR** programs as determined by market analysis for the benefit of authorized patrons.
- f. Submit all management and financial reports to the **ASD(FMP)** reflecting personnel and financial management data in accordance with DoD Instructions 1015.1 and 1330.20 (references (e) and **(f)**) and DoD 7000.14-R (reference (g)).
- g. Report to the **ASD(FMP)** on **current** status of joint Service initiatives.
- h. Ensure that cash in excess of installation military **MWR requirements** is transferred to a single NAF **MWR** account of the Military Service.
- i. Encourage cost-effective exchange service alternatives, or on base commercial or local commercial alternatives to operation of on-base **MWR** programs.
- j. Ensure comparable **MWR** support to all **qualified individuals assigned or supported on the DoD installation**.
- k. Ensure training is provided stressing stewardship and customer orientation.
- l. Encourage the use of products and services provided by **MWR** activities.
- m. Implement all other **MWR** operating policies as identified in this Instruction.


3. The Heads of the DoD Components (other than OSD, the Secretaries of the Military Departments, and the Chairman of the Joint Chiefs of Staff), shall **establish**, manage, and control **MWR** programs in accordance with the directives of the **Military Department** responsible for **logistical** support.

F. **PROCEDURES**

Procedures are in enclosures 3 through 12.

G. **EFFECTIVE DATE**

This Instruction is effective immediately.


F. Pang
Assistant Secretary of Defense
(Force Management Policy)

Enclosures -12

1. References
2. Definitions
3. Authorized Patronage of Military MWR Programs
4. **MWR** Programs
5. DoD Remote and Isolated Installations
6. MWR Program APF Support Table of Authorizations
7. Metrics, APF Support as a Percent of Total Expenses
8. Physical Fitness Semites
9. Commercial Sponsorship Policy
10. Advertising Policy
11. MWR Support to Military Missions in Foreign Countries
12. Alcoholic Beverages

REFERENCES, continued

- (e) DoD Instruction 1015.1, "**Establishment**, Management and Control of Nonappropriated Funds **Instrumentalities**," August 19, 1981
- (f) DoD Instruction 1330.20, "**Reporting** of Morale, Welfare, and Recreational (**MWR**) Activities Personnel **Information**," **September** 4, 1980
- (g) **DoD 7000.14-R**, "**DoD Financial Management Regulation**," **Volume 13**, "**Nonappropriated Funds Policy and Procedures**," August 1994, authorized by DoD Instruction 7000.14, November 15, 1992
- (h) DoD Directive 5500.7, "**Standards of Conduct**," August 30, 1993
- (i) DoD **5500.7-R**, "**Joint Ethics Regulation (JER)**," **August**, 1993, authorized by DoD Directive 5500.7, August 30, 1993
- (j) section 1301 of title 18, United States Code
- (k) DoD **Instruction** 1401.1, "**Personnel** Policy for Nonappropriated Fund Instrumentalities (**NAFIs**)," November 15, 1985
- (l) DoD Instruction 4000.19, "**Interservice**, Interdepartmental, and Interagency **Support**," April 15, 1992
- (m) DoD Instruction **6060.2**, "**Child** Development Programs (**CDPs**)," January 19, 1993
- (n) Chapter 47 of title 10, United States Code, "Uniform Code of **Military** Justice"
- (o) DoD Directive 1350.2, "Department of Defense Military Equal Opportunity **Program**," December 22, 1988
- (p) DoD Directive 1020.1, "**Nondiscrimination** on the Basis of **Handicap** in Programs and Activities Assisted or Conducted by the Department of **Defense**," March 31, 1982
- (q) DoD **Directive 1401.3**, "**Employment** Protection for Certain **Nonappropriated** Fund Instrumentalities **Employees/Applicants**," July 19, 1985
- (r) Sections 672, 673, 2488, 2683, 2783b, 2801, 2805, and 2811 of title 10, United States Code
- (s) DoD Instruction 1000.15, "**Private** Organizations on DoD Installations," September 22, 1978
- (t) Sections 106 and 109 of title 38, United States Code
- (u) Section 754 of title 30, United States Code
- (v) DoD Directive 1330.4, "Participation in Armed Forces, National, and International **Sports** Activities: March 9, 1987
- (w) DoD Directive 1308.1, "Physical Fitness and Weight Control programs," June 29, 1981
- (x) DoD Instruction 5120.4, "DoD Newspapers and Civilian Enterprise **Publications**," November 14, 1984
- (y) DoD Directive 5132.3, "DoD Policy and Responsibilities Relating to Security **Assistance**," March 10, 1981 (implement in Joint Services Regulations (AR 1-75/OPNAVINST 4900.31 **G/AFR 400-45**), "Administrative and Logistical **Support** of Overseas Security Assistance **Organizations**," October 10, 1989
- (z) DoD Directive 1010.4, "Alcohol and Drug Abuse by DoD **Personnel**," August 25, 1980

DEFINITIONS

1. **Advertising**. The medium providing conspicuous notice or information to the public through **private** and **public media, such as newspapers, magazines**, trade and **professional** journals, special printed matter, circulars, flyers, posters, signs, radio, television and other promotional devices, such as **decals**, table tents, or activity **calendars**. Includes merchandise containing advertising **that is free of charge as a bonus or as an inducement to buy**. **Examples of premiums** are ball-point pens or plastic rulers having an intrinsic item value of not over \$10 retail.
2. **Alcoholic Beverages**. Beverages containing **any** alcohol including wines, **malt beverages**, and distilled spirits. This excludes nonalcoholic **beer** and wine products.
3. **Appropriated Funds (APF)**. Funds appropriated by Congress.
4. **Architectural and Engineering Services**. Applies to services that include the **necessary** consultations, **preparation** of **preliminary** studies, analysis, cost estimates, working drawings, specifications, interior design and **decoration**, and the inspection and supervision services required for the construction, **alteration**, or repair of real **property** facilities.
5. **Auditing Services**. Relates to the **independent examination**, review, and evaluation of the records, controls, practices, and procedures in the area of financial and operational management of **MWR**.
6. **Common Support**. **That direct support used to fire the management, administration**, and operation of more than one **MWR** program or category and that is not easily or readily identifiable to a specific **MWR** program. Examples of common support are central accounting office functions, civilian personnel office functions, **ECECS**, common warehousing functions, and central procurement functions.
7. **Communications**. Applies to electronic communications (for example, telephone, teletype, **television**, fax, modem, Defense Switched **Network**, Automatic Data Information **Network**, on-base telecommunications cable); postage service (dispatch of official mail and rental of post office boxes, domestic, international, or military postal **service**); and printing **and** reproduction, including work done on printing presses, lithographing, and other duplicating related to binding operations, photography, microfilming, formats and forms **development**, editing, and graphics).
8. **Conversion**. Work **required** to adjust interior arrangements or other physical **characteristics** of an existing facility, or part of a facility, so it may be used for a new purpose **where** the facility category code changes. This includes equipment installed in, and made apart of, the existing facility. Work required to adjust interior arrangements or other physical characteristics of an existing facility, that does **not change the primary** purpose of the **MWR** activity and/or program being conducted within the facility is not a conversion and is not reported or reviewed as a new **NAF construction project**.

9. Custodial and Janitorial Service. Applies to the manpower, supplies, and equipment the insulation engineer or contractor provides.

10. customer Driven. Programs and services provided based on customer input.

11. Data Automation. Applies to automated data processing system development or operation.

12. Equipment Maintenance and Repair. Applies to the maintenance, repair, and overhaul of equipment either authorized on table of allowances or on loan to MWR.

13. Executive Control and Essential Command Supervision (ECECS). Those managerial staff functions and positions located above the direct program managerial and operational level of individual MWR programs that support planning, organizing, -g, coordinating, and controlling the overall operations of MWR programs. ECECS consists of program, fiscal, logistical, and other managerial functions that are required to ensure oversight.

14. Facilities Maintenance. Refers to the day-to-day work required to preserve real property facilities and prevent premature failure or wearing out of system components (electrical, mechanical, heating and air conditioning, plumbing, roofing, foundations, doors, windows, etc.) or damage to the facility interior resulting from failure of a facility system or to meet health and safety requirements, etc. Work required to prevent or correct all life safety deficiencies; ensure the structural and operational integrity of the building components (such as roofing, foundations, ceiling, floors, walls, windows, doors, etc.); and installed building equipment and systems (such as plumbing, heating, ventilating, cooling, air conditioning, electrical fire protection, and security, etc.); and preserve the existing exterior of a facility.

15. Facility Repair. Work that is required to restore a facility structure, components, and systems to its safe, effective, and economical support of assigned missions and organizations. If this repair work is done to support activities that are authorized to receive APF support, it may be funded with APFs. For such projects, repair work costing up to \$5 million for an entire single purpose facility or one or more functional areas of a multipurpose facility can be funded from the Operation and Maintenance appropriation in accordance with 10 U.S.C. 2811 (reference (r)). Repairs costing more than \$5 million require Military Department Secretary approval. As a general guideline, when it is estimated that repair costs would exceed 70 percent of replacement costs, replacement rather than repair is recommended.

16. Family Member. Individuals whose relationship to the sponsor leads to entitlements, to benefits, or privileges administered by the Uniformed Services.

17. Grounds Maintenance. Scheduled routine maintenance that the engineering personnel conduct on the installation on grounds, lawn shrubbery, flowers, landscaping, and picnic and park areas (on installation and off installation recreation sites). Excludes golf course grounds except grounds surrounding the immediate area of the club house.

18. **Installation**. Any DoD real **property, area, or facility** that is **controlled, owned, leased, or funded** by the **Department** of Defense.

19. **Installation Expansion**. **A major increase in authorized** and assigned **personnel** strength **over** a short period of time. Such expansion must be the result of a mission change or influx of new units or systems. As an example, a 25 percent increase in a **1-year time** span satisfies these criteria. In **contrast**, personnel increases **resulting** from an evolutionary expansion **occurring** over several years do not **satisfy these criteria**.

20. **Market Analysis**. Identification of the market and analysis of wants, needs, and **desires** of **that market**.

21. **Military Community**. Includes U.S. military and family members and DoD civilian population working and assigned to DoD installations. Also includes retired military and other authorized patrons shown in enclosure 3.

22. **Military Construction**. Applies to the erection or **installation** of new buildings or systems, additions, and conversions, including major repair work. See 10 **U.S.C.** 2801 (reference (r)) for **APF** projects.

23. **Minor Construction**. Applies to **erecting**, adding, expanding, altering, converting, **replacing**, or relocating an existing facility, provided the cost does not exceed certain dollar limits. See Section 2805 of reference (r) for **APF** projects.

24. **Morale, Welfare, and Recreation (MWR) Facilities**. A building, structure, land **area**, or other real property improvement primarily used for MWR.

25. **Morale, Welfare, and Recreation (MWR) Programs**. Those military **MWR** programs (exclusive of private organizations as **defined in DoD Instruction** 1000.15 (reference (s))) located on DoD installations or on property controlled (by lease or other means) by the Department of Defense or furnished by a DoD contractor that provide for the mission **sustainment**, community **support**, and other revenue generating programs for authorized DoD personnel. They include programs listed in enclosure 4. **Civilian** employee MWR activities are contained in DoD Directive 1015.8 (reference (c)).

26. **Morale, Welfare, and Recreation (MWR) Programs Operations**. Applies to work accomplished within a facility **in support of an MWR program such as repair and maintenance of bowling lanes, pin setting equipment, floor covering, (for example, carpet, hardwood, decorative tile), wall coverings, decorative light fixtures to include chandeliers, club bars, lounges, snack bars, kitchens (including grease traps, range hoods and ducts, etc.), golf clubhouse locker rooms, riding stables and fencing, marina docks, dredging, and repair of bulkheads. Also applies to equipment maintenance that is a direct function of the activity (for example, repair of stoves, cash registers, point of sale systems, dishwashers, liquor systems, and walk in coolers).**

27. **Nonappropriated Funds (NAF)**. Cash and other assets received from sources other than monies appropriated by the Congress of the United States. (NAFs must be resources of an approved NAFI.) NAFs are U.S. Government funds, but they are **separate** and apart from funds **that are recorded in the books of the Treasury of the United States. They are used for the collective** benefit of the authorized patrons who **generate** them.

28. **NAF Construction**. Single **undertaking** that produces a complete and usable facility or a complete and usable conversion of an existing facility. (See “conversion” definition 8.) **Construction** includes **erection**, installation, or assembly of a new **facility**; the addition, **expansion**, extension, **relocation**, or replacement of an existing **facility**; and site **preparation**, excavation, filling, landscaping, land improvements, utility connections, and installed **equipment** therein.

29. **Nonappropriated Fund (NAF) Employee**. A person employed by a NAFI program and **compensated** from NAFs. Does not include **contractor** personnel.

30. **Overseas Locations**. Any installation located outside the 48 contiguous United States.

31. **Premium**. Coupons, product samples, and other similar items or media offered by merchandisers as enticements to purchase **commercial** products and merchandise.

32. **Ready Reserve**. Comprised of military members of the National Guard and Reserve, organized in units or as individuals, liable for **recall** to active duty in time of war or national emergency under 10 U.S.C. 672 and 673 (**reference** (r)). The Ready Reserve consists of three subcategories: the Selected Reserve, the Individual Ready Reserve, and the Inactive National Guard.

33. **Remote and Isolated Installation**. An installation meeting the criteria shown in enclosure 5.

34. **Rents**. Applies to the use or possession of **non-DoD** lands, buildings, and other improvements and installed equipment for a specified period through **contract**, lease **agreement**, or other legal instrument when authority is granted through appropriate channels.

35. **Resale Activities**. The acquisition and resale of goods and services conducted by **MWR** programs or concessionaires. Specifically excluded **from** this definition are user fees, **interest**, and other sources of income not directly related to the sale or resale of merchandise and **services**.

36. **Retired Personnel**

a. **Uniformed Personnel**

(1) All personnel **carried** on the official **retired** lists (Active and Reserve) of the Uniformed Services, who are retired with pay, granted retirement pay for physical disability, or entitled to retirement pay whether or not such pay is waived.

(2) **Members** of the Retired Reserve who have qualified for retired pay at age 60, but who have not yet **reached** age 60.

(3) **Personnel** of the emergency officers' retired list of the Army, Navy, Air Force, and Marine Corps who **are** retired under 38 **U.S.C.** 106 and 109 (reference (t)).

(4) Retired **officers** and crews of vessels, and lighthouse keepers and depot keepers of **the** former Lighthouse service under 30 **U.S.C.** 754 (reference (u)).

b. **Retired DoD Civilian Employees.** Those retired NAF and **APF** civilian **employees** of the Department of Defense and its Components.

37. **Services.** A system or method of providing authorized patrons with the use of abroad spectrum of MWR programs or activities services that are an extension of another more specific **MWR** program or activity as **classified** in **enclosure** 4 of this Instruction. Examples include but **are** not limited to classes, seminars, instructions, etc.

38. **Supplies.** Applies to supply items (expendable that **are** consumed or lose their identity when **used**, or whose low value do not require the **same** accountability required for equipment).

39. **Surviving Family Members.** Family members of a Service member who died while on active duty or while in a retired status, who **are** dependent on the surviving spouse for over half their support.

40. **Surviving Spouse.** A widow or widower who has not **remarried** or who, if **remarried**, has reverted through divorce, **annulment**, or the demise of the spouse, to an **unmarried status**.

41. **Utilities.** Includes the cost of water, gas, electricity, and other utility services used by MWR programs. Rates charged will not include incremental or prorated share of **overhead**, maintenance, and repair to utility systems, or capital investments in the installation's utility **infrastructure** systems unless otherwise specified by a memorandum of agreement (**MOA**) or Inner Service Support Agreement (**ISSA**).

AUTHORIZED PATRONAGE OF MILITARY MWR PROGRAMS

A. GENERAL

1. Authorizations shown in subsections **B.1.** and B.2., **below, shall** be used to **determine** program access, except where **authorization is** in conflict with international **agreements**.

2. **Access** to military **exchanges**, and their programs, **shall** be in accordance with DoD **Directive** 1330.9 (reference (d)).

3. **If MWR facilities** cannot accommodate **all** authorized patrons, the installation commander **determines** specific use priorities. The priorities for those **authorized** to use MWR facilities in such situations shall be based on the priorities established in subsections B. 1 and B.2, below. Members of the Ready Reserve and Retired Reserve, including those who have qualified for retired pay at age 60, but who have not yet reached age 60, are permitted use of Category C activities on the same basis as members on active duty.

4. **The** DoD Component concerned shall ensure patrons are identified as authorized before providing privileges.

5. Patron **eligibility** for child development programs is provided in DoD Instruction 6060.2 (reference (m)).

B. ELIGIBLE PATRONS

1. Unlimited use authorized for all MWR programs:

CATEGORY	AUTHORIZED GROUP
Armed Forces and their families	Members on active duty
	Members of the Reserve Components (Ready Reserve and National Guard; Reservists in training)
	Cadets of Service Academies
Other Uniformed Semites	Members of the Coast Guard , Commissioned Corps of the Public Health Semite, and Commissioned Corps of the National Oceanic and Atmospheric Administration on active duty
Armed Forces retirees and their family members	Retired from active duty
	Retired from the Reserves with pay, and retired without pay (gray area)

Others separated from the Armed Forces and their family members	Honorably discharged veterans with 100 percent Service-connected disability and involuntarily separated service members under the Transition Assistance Management Program. Personnel separated under the Voluntary Separation Incentive (VSI) and Special Separation Benefit (SSB) programs for two years after separation
	Medal of Honor recipients
Former and/or surviving spouses and family members	unremarried surviving spouses of personnel who died while on active duty or While in retired status
	unremarried former spouses who were married to military members for at least 20 years while the military member was on active duty to the Armed Forces
	Orphans of military members, when not adopted by new parents, under 21 years old (or over if they are incapable of supporting themselves, or 23 years old if they are in full-time study)
U.S. DoD civilians and their family members	When stationed outside the U.S.
Other supporters of DoD	U.S. Federal employees when assigned in areas outside the U.S.
	Medical personnel under contract to the military DoD Component during periods when they are residing on the installation
	Military personnel of foreign nations and their family members when on orders from the U.S. Armed Forces, or in overseas areas when the major command commander grants privileges in the best interest of the U.S.
	Paid members of the American Red Cross, Young Mens Christian Association United Service Organization and other type 1 private organizations identified in DoD Instruction 1000.15 (reference (s)) when assigned with U.S. Armed Forces outside the U.S.
	U.S. employees off- under contract to Department of Defense working on an installation when assigned in areas outside the U.S.

2. Limited use of military MWR activities at the discretion of the installation commander. Commanders open activities to these patrons based on local demand and capacity. Resale of food, State tax-free beverages, and tobacco products is restricted to amounts consumed on the premises, and to convenience merchandise incidental to daily participation (such as golf tees):

CATEGORY	AUTHORIZED GROUP
U.S. DoD civilians and family members	Both APF and NAP, and retired DoD civilians
DoD contract personnel and technical representatives	Working full time on the installation

Others associated with the Department of Defense	Reserve Officers' Training Corps cadets when participating in field training or practice cruises
	Former Prisoners of War (POWs) and spouses of POWs or Service members missing in action may use clubs
Other Federal Employees	Use of clubs within the U.S. Individuals are recertified annually
Guests	Who are not otherwise eligible to use MWR programs, when specifically invited and accompanied by an authorized patron. Installation commanders approve local rules governing the number of guests and the frequency of use at specific facilities
Members of the public within the U.S.	Leaders in the local community designated by the installation commander. Individuals are recertified annually
	Members of the general public can attend infrequent MWR-sponsored events when the installation meets controls established by the DoD Component , to include at minimum, the criteria below.'
	Members of the general public within the U.S. may use Category C programs on a continual basis when criteria below' has been met and specifically approved by the DoD Component. This approval authority may not be delegated below the Military Semite level.

¹ **a. Commander** determines that adequate facilities **are** available and currently underutilized by authorized **patrons**.

¹ **b.** Written agreements are obtained from local government officials or other appropriate community leaders indicating that they have no objections to expanded use of military **MWR** programs.

¹ **c.** Allowing these individuals to use these **facilities** is beneficial to both the military members and civilians in the community.

¹ **d.** No conflict exists with Federal, State, or local laws.

MWR PROGRAMS

A. **CATEGORY A - MISSION SUSTAINING PROGRAMS**

1. Armed Forces **Professional Entertainment** Program Overseas
2. Free Admission Motion Pictures
3. Physical Fitness and Aquatic Training
4. **Library** Program and Information **Services**
5. **On-Installation** Parks and **Picnic Areas**
6. Basic **Social** Recreation Activities
7. **Shipboard**, Company, **and/or** Unit Level Programs
8. Sports and Athletics (Self-Directed, Unit Level, **Intramural**)

B. **CATEGORY B - BASIC COMMUNITY SUPPORT PROGRAMS**

1. **Child Cam and Youth Programs**

- a. Child **Development** Program
- b. **Youth** Activities
- c. **Family** Child **Care**
- d. School Age Care
- e. Resource and **Referral**

2. **Community Programs**

- a. Cable and/or Community Television (TV)
- b. Recreation Information, Tickets, and Tours Services
- c. Recreational Swimming

3. **Outdoor Recreation Programs**

- a. Directed Outdoor Program
- b. Outdoor Recreation Equipment Checkout
- c. Boating without Resale or **Private** Berthing
- d. Camping (Primitive and/or Tents)
- e. Riding Stables, Government-owned or -leased

4. **Individual Recreation Skill Programs**

- a. Amateur Radio
- b. Performing Arts (Music, _ and Theater)
- c. Arts and Crafts Skill Development
- d. Automotive Crafts Skill Development
- e. Bowling (12 Lanes Or Less)
- f. Other

5. **Sports Programs (Above Intramural Level)**

C. CATEGORY C - REVENUE GENERATING PROGRAMS

1. **Hospitality and Lodging**

a. **Joint** Semite Facilities **and/or** Armed Forces Recreation Centers

b. **Food, Beverage, and Entertainment** Programs

(1) **Membership** Club program

(2) Non-membership program

(3) **Snackbars** Incidental to Operation of Other Programs

c. Unofficial Lodging **Program**

(1) **Recreational** Lodging (Cabins, **Cottages**, Trailers, Trailer **and/or**
Recreational Vehicle (**RV**) Parks with Hook-Ups)

(2) PCS Lodging Facilities

2. **Other Special Interest Programs**

a. Flying Program

b. Parachute and Sky Diving Program

c. Rod and Gun Program

d. Scuba and Diving Program

e. Horseback Riding

f. Video Program

g. Other

3. **Other Revenue-Generating Programs**

a. Resale

b. **Amusement and Recreation Machines and/or Gaming**

c. Bowling (Over 12 Lanes)

d. Golf

e. Boating (With Resale or Private Boat Berthing)

f. Equipment Rental

g. Unofficial Commercial Travel Services

h. Other

MWR PROGRAM DESCRIPTIONS

A. CATEGORY A - MISSION SUSTAINING PROGRAMS. Programs within this category promote the physical and mental well-being of the military member, a **requirement** that supports accomplishment of the basic military mission,

1. **ARMED FORCES PROFESSIONAL ENTERTAINMENT PROGRAM OVERSEAS** Acquisition and support of **professional entertainment** provided **free** to Armed Forces personnel overseas.

2. **FREE ADMISSION MOTION PICTURES.** **Free** motion picture **entertainment** provided to **shipboard, isolated,** or deployed **military** personnel and other civilians.

3. **PHYSICAL FITNESS AND AOW TIC TRAINING** Programs that develop the cardiovascular fitness, strength conditioning, and flexibility of military personnel. Includes swimming programs associated with Service member training. (It does not include those recreational **swimming** programs in Category B or associated with Category C membership club programs.)

4. **LIBRARIES PROGRAMS AND INFORMATION SERVICES.** Programs that **provide** the DoD community with **current, retrospective,** and authoritative multi-media materials (e.g., books, magazines, newspapers, microforms, tapes, electronic data bases, etc.) in **all** subject fields. **Literary,** musical, artistic, and basic reference for recreation and personal education. Generally, does not include those libraries whose primary purpose is to provide technical reference and information related to training centers, military occupational specialty education, or DoD reference facilities.

5. **ON-INSTALLATION PARKS AND PICNIC AREAS.** Provide on-installation picnic areas, barbecues, pavilions, game fields, fitness trails, nature centers, playgrounds, etc. for **self-directed** use.

6. **BASIC SOCIAL RECREATION PROGRAM.** Provide **self-directed** individual and **self-directed** and/or **directed** group activities that promote stress relief, such as video games, entertainment videos, board **games, social** events, etc.

7. **SHIPBOARD, COMPANY, AND/OR UNIT LEVEL PROGRAMS.** **Support** and activities that maintain mission readiness, improve unit **teamwork,** and create **esprit de corps.**

8. **SPORTS AND ATHLETICS [SELF-DIRECTED AND/OR UNIT LEVEL AND/OR INTRAMURAL] PROGRAMS AND ACTIVITIES.** Support for individuals and teams, to enhance individual fitness, and unit teamwork and readiness.

B. CATEGORY B - BASIC COMMUNITY SUPPORT PROGRAMS. These programs satisfy the basic physiological and psychological needs of Service members and families, providing, to

the extent possible, the community support systems that make DoD installations temporary home towns for a mobile military population.

1. **CHILD CARE AND YOUTH PROGRAMS**. Program **associated with the care and** development of children of Military Service members and civilians whose primary **place** of duty or employment is a DoD installation.

a. **CHILD DEVELOPMENT PROGRAM**. Child care services for **children, aged** birth through 12 years, of DoD **personnel** provided in child development facilities, to include contract operations, family child care home, and alternative locations. Care may be provided on a **full-day**, part-day, or hourly basis. Care is designated to protect the health and **safety** of children and to promote their physical, social, emotional, and cognitive development and to enhance children's **readiness** for later school experiences.

b. **YOUTH ACTIVITIES**. A **full range** Of community-based **educational**, social, **cultural**, recreational, and physical activities that promote the healthy development and transition to adulthood. **The Youth Center** serves as the "hub" for most activities.

c. **FAMILY CHILD CARE**. Home-based child care services that are provided for members of the Armed Forces and DoD civilian personnel by an individual who is **certified** by the Secretary of the Military Department concerned or Defense Agency Director **and/or** Commander concerned to provide those services, and **provides** those **services** for 10 hours or more per week on a **regular** basis for compensation. Also referred to as Family Home Day Care, Family Home Care, and Family Day care.

d. **SCHOOL AGE CARE**. Either facility-based or FCC-based **care** for children ages 6-12, or attending kindergarten, who require supervision **before** and after school, during duty hours, school holidays, and during **school closures**.

e. **RESOURCE REFERRAL**. A service that provides information about child care services on and off the installation to meet patrons' child care needs and maximize use of available sources of child care.

2. **COMMUNITY PROGRAMS**. Those programs that are provided for the general enjoyment of the installation community.

a. **CABLE AND/OR COMMUNITY TV**. Cable and/or Community TV provided within an installation for the general welfare of authorized **MWR** patrons.

b. **RECREATION INFORMATION. TICKETS. AND TOURS SERVICES**. Typical services include information brochures and counseling concerning local and regional attractions; local or regional group tours, etc.; tickets to local movie theaters, concerts, plays, sports events, museums, etc.; admission to regional or national theme parks; and provisions for central registration and advance sales for most **MWR** facilities, services, and programs on the installation.

c. **RECREATIONAL SWIMMING.** Swimming programs in a recreational environment. (Does not include those swimming programs associated with Category C membership club programs.)

3. **OUTDOOR RECREATION**

a. **DIRECTED OUTDOOR RECREATION.** programs that provide instruction and structured outdoor recreational activities (archery, hunting, fishing, rappelling, hiking, backpacking, bicycling, mountain biking, boating, canoeing, camping jamborees, water and snow skiing, etc.)

b. **OUTDOOR RECREATION EQUIPMENT CHECKOUT.** Supports self-directed and directed participation in outdoor programs. Equipment is purchased with APFs and NAFs for the purpose of being checked Out to participants in MWR programs. Fees may be charged to recover all or part of any NAF costs associated with providing this service. Checkout includes tents, coolers, sleeping bags, stoves, skis, canoes, boats, bicycles, and other equipment that support the program. Sale of incidental items such as lantern fuel, mantels, and similar accouterments is authorized.

c. **BOATING WITHOUT RESALE OR PRIVATE BOAT BERTHING.** Program may include operation of a marina without resale or private boat berthing. Boats and equipment are MWR-owned and -operated. The operation of a snack bar, restaurant, or resale outlet is authorized only as a Category C program.

d. **CAMPING (PRIMITIVE AND/OR TENTS).** Small campgrounds operated to provide camping as the primary recreation activity or to support participation in adjacent outdoor recreation activities. The operation of a snack bar, restaurant, or resale outlet is authorized only as a Category C program.

e. **RIDING STABLES. GOVERNMENT-OWNED OR -LEASED.** Government-owned or -leased horses used for recreational riding.

4. **INDIVIDUAL RECREATION SKILL PROGRAMS**

a. **AMATEUR RADIO.** Long distance two-way radio operation associated with the Military Affiliated Radio System.

b. **PERFORMING ARTS (MUSIC, DRAMA, AND THEATER).** Programs that provide for participation in or attendance at the following events: theater centers, dinner theaters, music centers, performing arts centers, pageants, special entertainment events, and community activities.

c. **ARTS AND CRAFTS SKILL DEVELOPMENT**. Programs that emphasize learning by "doing" through formal and informal instruction in fine arts, crafts, and industrial and vocational arts.

d. **AUTOMOTIVE CRAFTS SKILL DEVELOPMENT**. Automotive and electro-mechanical skill development programs that promote learning by "doing" through formal and informal instruction.

e. **BOWLING (12 LANES OR LESS)**. Bowling program at centers having 12 lanes or less, offering services such as bowling resale, food and beverage, bowling instruction, open play bowling and league bowling.

f. **OTHER**. Other general recreation skill programs to include classes, lessons, seminars, etc.

5. **SPORTS PROGRAMS (ABOVE INTRAMURAL LEVEL)**. Competition by individuals or teams representing the installation or higher level. Inter-service sport competition events sanctioned by the Armed Forces Sports Council as well as participation in national and international sporting events such as the Pan American Games, Conseil International du Sport Militaire, and the Olympics. (See DoD Directive 1330.4, reference (v).)

C. **CATEGORY C - REVENUE-GENERATING PROGRAMS**. These programs are highly desirable as a means of providing recreational activity, with the attendant morale benefit.

1. **HOSPITALITY AND LODGING**

a. **JOINT SERVICE FACILITIES AND ARMED FORCES RECREATION CENTERS**. Facilities and programs operated by one Service for all Component use for the primary purpose of providing rest and recreation activities. Includes Armed Forces Recreation Centers, major hotel operations, and recreation sites designed for use by all Armed Forces personnel.

b. **FOOD, BEVERAGE, AND ENTERTAINMENT PROGRAMS**

(1) **MEMBERSHIP CLUB PROGRAMS**. May include dining, beverage, catering, social events, entertainment, and other services normally associated with a membership organization, as well as hospitality support for official functions.

(2) **NON-MEMBERSHIP PROGRAMS**. Open to all Category C patrons. No membership or dues requirement. May include dining, beverage, catering, entertainment, social events, and other services associated with a restaurant and entertainment center, as well as hospitality support for official functions.

(3) **SNACKBARS INCIDENTAL TO OPERATION OF OTHER PROGRAMS**. Food and/or limited menu operations providing service in support of other MWR programs.

c. **UNOFFICIAL LODGING AND PERMANENT CHANGE OF STATION LODGING FACILITY PROGRAM.** Facilities **built, leased, acquired, maintained, managed, and operated** primarily with MWR or exchange **service NAFs** (or contracted or acquired through NAF contracting process) for patrons who are in a leave or **off-duty** status. May **also** be used by individuals **and** families who **are** in a PCS or TDY (Temporary Active Duty) status if **non-MWR** housing facilities or temporary housing is not available.

(1) **RECREATIONAL LODGING CABINS. COTTAGES. TRAILERS. TRAILER AND/OR RV PARKS WITH HOOK-UPS.** Lodging for recreational use on the installation and at **off-installation** recreation sites.

(2) **PERMANENT CHANGE OF STATION (PCS) LODGING FACILITIES.** As **determined** by the Military Semite, MWR programs (to include exchange services) may provide lodging needs for PCS personnel and their **families**. When **these** PCS needs are met by MWR operating **facilities** or **the facilities** are built and maintained by MWR NAFs, they shall be a part of the single MWR NAFI **and** shall operate as a Category C Revenue Generating activity. When such facilities are built and maintained or operated by other than the MWR program or exchange service, they **shall** be a separate fund, designated as a Lodging or Billeting **fund**, independent of the single MWR fund. These facilities **are** provided to meet the traveling **needs** of active duty members and their families who are in a PCS status and normally provide some type of **kitchen** facilities. Facilities may also be used by individuals who are in a temporary duty (**TDY**) status and other authorized patrons; however, PCS personnel have priority use. **Official** travel quarters (**TUPH**) **are the primary so-of quarters for TDY** personnel and must be used if available.

2. **OTHER SPECIAL INTEREST PROGRAMS.** (Other than Membership Club Programs Above.) These programs are more highly **specialized, appealing** to a limited audience, and **are** supported through user fees.

a. **FLYING PROGRAM.** Flying (**Aero**) operations such as rental of **aircraft**, storing airmail owned by members, providing flying instruction, and other related services.

b. **PARACHUTE AND SKY DIVING PROGRAM.** Parachute and Sky Diving programs such as **instruction**, sponsored jumps, competitions, etc.

c. **ROD AND GUN PROGRAM.** Programs such as **skeet**, trap, other shooting programs, instruction, competitions, resale, food and beverage operations, etc.

d. **SCUBA AND DIVING PROGRAM.** Groups or individuals having an interest in aquatic and scuba type activities, such as instruction, sponsored dives, etc.

e. **HORSEBACK RIDING PROGRAM.** Provide services such as boarding, organized events, competitions, etc.

f. **VIDEO PROGRAM.** Provides leisure time opportunities for individuals who have a common interest in video **entertainment** and technology. Includes videotape and peripheral equipment checkout and rental as well as limited **resale services**.

g. **OTHER.** Those programs established for a special interest not otherwise addressed.

3. **OTHER REVENUE-GENERATING PROGRAMS.** Those **MWR** programs that provide various **entertainment** and **recreational opportunities for authorized** patrons.

a. **RESALE PROGRAMS.** Resale **activities** within the **restrictions** established in subsection **D.15.** of **the** main body of this Instruction. Includes audio and/or photo operations **overseas**, and **similar operations**.

b. **AMUSEMENT AND RECREATION MACHINES AND/OR GAMING.** Includes amusement machines, such as video and pinball machines that do not **provide** a **pay-out**, and recreation machines, such as slot machines, that provide a pay-out to the player.

c. **BOWLING (OVER 12 LANES).** Bowling programs at centers having over 12 lanes, offering open play bowling and league bowling, and services such as bowling **instruction**, bowling resale, food and beverage.

d. **GOLF.** Offering open play, **tournaments**, and services such as golf instruction, golf resale, **food**, and beverage.

e. **BOATING ACTIVITIES (WITH RESALE OR PRIVATE BOAT BERTHING)** Includes marina operations with private berthing or with **resale** activities.

f. **EQUIPMENT RENTAL.** Equipment purchased with NAFs for the purpose of being rented out to customers to support their special interests. Includes rental of equipment such as lawn mowers, roto tillers, chain saws, large boats, and trailers designed for overnight issue. Includes all resale activities and retail outlets that sell specialized outdoor recreation **equipment**, **clothing**, **gear**, and **supplies**.

g. **UNOFFICIAL COMMERCIAL TRAVEL SERVICES.** Economical commercial leisure travel services are usually contracted and defined by high dollar volume, special licensing authority or certification, and other **requirements** not routinely attainable or suitable to Government involvement. Services may be provided **from** either transportation-managed **offices**, or from **MWR** facilities dedicated exclusively to leisure travel products and **services**; e.g., air, rail and bus tickets, packaged tours, group tours, cruises, travel insurance, etc.; may also include remote or automated **services** to satisfy requirements of installations **that** lack sufficient volume to **justify** a manned office.

h. **OTHER.** Appropriate programs not identified or included in the revenue generating group of programs.

DoD REMOTE AND ISOLATED INSTALLATIONS
(APF Support for Category C Programs)

A. **BACKGROUND.** As requested in 30 U.S.C. 754 (reference (u)), the Department of Defense may inform the committee on Armed Services of the **Senate** and the Committee on National Security of **the** House of **DoD installations, having** category C program, considered eligible for exemption **from** the normal Category C APF funding authorization in enclosure 6.

B. GENERAL

1. Certain **installations** (with **Category C** programs) may not be capable of self-sufficiency due to extenuating circumstances. Installations that **ultimately** are included on **the** "remote and isolated" **list**, however, must have special circumstances that genuinely require additional APF assistance @continue their **Category C** programs.

2. Those Category C programs at installations, designated as **remote** and isolated **for MWR** program **purposes**, are **authorized**, generally, the same type of **funding** as Category B programs. These exemptions are allowed because these locations are isolated or are exceptional due to conditions that make them very similar to isolated and remote locations.

C. OBTAINING AND MAINTAINING REMOTE AND ISOLATED LOCATION STATUS

1. The **major factors in evaluating potential candidates for remote and isolated status are the** installation's financial capability, performance, and degree of assistance provided by major commands and the Military Service. Other factors that may assist in evaluating the installation as a remote and isolated location include extenuating circumstances that may seriously hinder operation of the installations Category C programs. These may include:

a. Special security conditions, such as continued threat of civil disorder, political **unrest**, criminal activity, or terrorist attack that prevent authorized **personnel from** using on and off-base recreation facilities.

b. **Significant** currency fluctuation that greatly affect the cost of **all** goods and services purchased on the local economy, including MWR.

c. **Extreme climatic** or environmental conditions that routinely and for extended periods prevent the use of off-base recreational activities.

d. Locations where the mission requires a capability to provide **MWR** support as a result of significant temporary increase or **decrease** in personnel who are not part of the regular manning complement of the base, but are assigned for training, for liberty, or for other temporary purposes.

e. **Short tour location**

(1) Assignment locations less than 36 months accompanied or 24 months

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(2) Short tour locations **established in** recognition of **community support**, family **separation**, **environmental**, cultural, **mission**, or other factors.

(3) Conditions at short tour locations that are judged to create enough of a hardship on the **military** member that a **reduced** tour length is appropriate.

f. **Geographic separation**

(1) **Installations** or sites with less than 3,000 active duty military assigned that are at least 1-hour commuting time (during normal driving conditions) from a community (or other military **installation**) that has three or more different category C type programs, with one or more of these activities being a bowling center, golf course, or marina

(2) Significant cultural differences.

2. Documentation concerning an **installation's** acceptability for being considered a candidate as "remote and isolated" status shall be submitted to the **ASD(FMP)**. **All** installations designated as "remote and isolated" locations will submit rejustification when circumstances change substantially.

6-1

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
b. All others	Y	Y	N
6. UTILITIES AND RENTS. See definitions Of this Instruction. a. <u>Utilities.</u> See definition 41 of enclosure 2. (1) <u>CONUS</u> (2) <u>OCONUS</u> b. <u>Rents.</u> See definition 34 of enclosure 2.	Y Y Y	Y Y Y	N Y N
7. MAINTENANCE, REPAIR TO SUPPORT MWR ACTIVITY OPERATIONS a. <u>MWR Program Operations</u> Applies to that work required to be accomplished within a facility in support of the MWR program such as repair and maintenance of wall coverings, decorating, lighting, carpeting, theater seats, etc. b. <u>Equipment Maintenance and Repair</u> (1) APF. (2) NAF.	Y Y N	Y Y N	N Y N
8. INVESTMENT EQUIPMENT Relates to the acquisition and use of equipment classified as investment items.	Y	Y	2
9. SUPPLIES. See definition 38 of enclosure 2. Included in this group are clothing, tentage, organizational tools, and administrative and housekeeping supplies, petroleum fuels, lubricants, preservative, coolants, oil derivatives (other than aircraft and boat petroleum, oil, and lubricants, in section 12 of this enclosure, below): a. ECECS b. Related to resale. c. Food supplies for meals served in child development and youth programs. d. AU other supplies.	Y N N Y	Y N Y Y	Y N N N

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	c
<p>10. <u>EQUIPMENT</u>. Includes the acquisition cost of any item of equipment, furniture, or furnishings that does not meet the criteria of an investment cost.</p> <p>a. ECECS.</p> <p>b. Related to resale.</p> <p>c. Surplus and/or excess Government equipment.</p> <p>d. Equipment for rental</p> <p>e. All other equipment.</p>	<p>Y</p> <p>N</p> <p>Y</p> <p>N</p> <p>Y</p>	<p>Y</p> <p>N</p> <p>Y</p> <p>N</p> <p>Y</p>	<p>Y</p> <p>N</p> <p>Y</p> <p>N</p> <p>N</p>
11. <u>MERCHANDISE AND SERVICE</u> . Pertains to merchandise and services procured by an MWR program for resale.	N	N	N
12. <u>MWR AIRCRAFT AND BOAT PETROLEUM OIL, AND LUBRICANTS (POL)</u> Applies to POL (including fuel additives) consumed by MWR aircraft and boats operated in conjunction with the MWR program (does not include cost for travel of personnel). (See section 3 of this enclosure, above.) For transportation of things, see section 4 of this enclosure, above.	N	N	N
<p>13. <u>SERVICES</u></p> <p>a. <u>Education and Training</u>. APF non-tuition courses may not charge for NAF employees attending.</p> <p>b. All <u>Auditing Services</u>. See definition 5 of enclosure 2, above. Work done by DoD Component audit organization or independent commercial auditors as part of Service or major command ECECS.</p> <p>c. <u>Data Automation</u>. See definition 11 of enclosure 2, above.</p> <p>(1) ECECS.</p> <p>(2) All Other.</p> <p>d. <u>Legal Services</u>. Service and assistance from Judge Advocate General and General Counselor military and civilian assignment authorizations deemed appropriate by the Service Component. Includes internal civilian staff as integral element of m.</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>	<p>3</p> <p>Y</p> <p>Y</p> <p>N</p> <p>Y</p>

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	c
<p>e. Custodial and Janitorial Service. See definition 9 of enclosure 2, above.</p> <p>f. Grounds Maintenance. Applies to work required to maintain surrounding building grounds. Golf course must be NAF funded except ground surrounding immolate area of the club house.</p> <p>g. Other Services. Services associated with protecting health and safety. Services commonly supplied and provided as a command function to all installation employees and organizations. Examples include fire protection, security, safety, rescue, pest control, snow removal, sewage, trash and garbage removal, repair and cleanup of underground storage tank leaks, environmental compliance, vet and medical support, sanitation inspection, maintenance of common grounds, etc.</p>	<p>Y</p> <p>Y</p> <p>Y</p>	<p>Y</p> <p>Y</p> <p>Y</p>	<p>N</p> <p>Y</p> <p>Y</p>
<p>14. CONSTRUCTION</p> <p>a. Architectural and Engineering Services. See definition 4 of enclosure 2, above.</p> <p>(1) APF Construction</p> <p>(2) NAF Construction. Applies for scheduled projects as approved by the DoD Components concerned, provided no additional manpower authorizations are required.</p> <p>b. Minor Construction. See definition 23 of enclosure 2, above.</p> <p>c. Military Construction. See Definition 22 of enclosure 2, above.</p> <p>d. Facilities Maintenance. See definition 14 of enclosure 2, above.</p> <p>e. Facility Repair. See definition 15 of enclosure 2, above.</p> <p>(1) APF owned and/or leased</p> <p>(2) NAF owned and/or leased</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>N</p>	<p>Y</p> <p>Y</p> <p>4,5</p> <p>4,5</p> <p>Y</p> <p>Y</p> <p>N</p>	<p>Y</p> <p>Y</p> <p>5</p> <p>5</p> <p>Y</p> <p>Y</p> <p>N</p>

NOTES:

1- Initial APF funding is authorized only when NAF will reimburse (except at BRAC locations that are authorized appropriated funds).

2- Investment equipment in support of food preparation equipment and the use of surplus or excess equipment is authorized.

3- APFs may be used to fund NAF employee courses for training that is not job unique; examples include but are not limited to, management and/or leader development courses, quality training, health and safety, sexual harassment, etc.

4- JUTS authorized for youth activities Outside continental United States (OCONUS). APFs required for Child Development Centers.

5- APFs may be used for all community facility construction related to the establishment, activation, or expansion (see definition 19. in enclosure 2, above, for “expansion”) of a DoD installation or relocation of facilities for convenience of the Government; replacement of facilities denied by country-to-country agreements; restoration of facilities destroyed by acts of God, fire, or terrorism; and to correct health and life safety deficiencies such as sprinkler or fire alarm systems, environmental compliance, or removal of asbestos.

6- Special Note: See subsection D.3.c for funding of remote and isolated locations which allows such location to receive the same type of APF support as Category B programs.

7- Special Note: Nonappropriated funds shall not be used for the following:

- a.** Any military personnel cost for personnel serving in their military duties.
- b.** Travel costs associated with subsection 3.b.(4) for Category A and/or C activities.
- c.** Transportation of household goods for APF personnel in any Category A/B/C activity.
- d.** Any utility or rent cost for any CONUS Category A and/or B activity, see subsection 6.a above.
- e.** Any utility cost for any OCONUS Category A/B/C activity, see subsection 6.a above.
- f.** Any other service cost as defined in subsection 13.g for any Category A/B/C activity.
- h.** Any architectural and engineering services for any APF construction project.
- i.** Any military construction for any Category A activity.

METRICS
APF SUPPORT AS A PERCENT OF TOTAL EXPENSES

1. **PURPOSE.** The purpose of this metric is to monitor the degree of appropriated funding of MWR programs by category and to measure compliance with established funding standards.

2. **SOURCE OF DATA.** This metric shall be submitted by each of the Military Services to the Department of Defense in the Annual Report as required in DoD Instruction 1015.1 (reference (e)). Data shall be drawn from the Military Services base year (actuals) of the Annual Report, and shall conform to the definitions used in that report.

a Include data from Schedule A Income and Expense statement for each program group.

b. **APF-SUPPORT.** Include Total APF Support excluding military construction (MILCON).

c. **NAF EXPENSES.** Include only NAF support excluding depreciation and cost of goods sold.

d. Divide the amount of APF support (defined in paragraph 2.b., above) by the total of APF Support plus NAF Support (defined in paragraph 2.c., above) to obtain APF Support as a Percent of Total Support.

3. **CATEGORY REPORTS.** Category totals must include all programs listed in the category listings, regardless of who operates those programs (MWR or some other organization, for example, child care). In the submission of the Annual Report narrative, the Military Services shall report the current fiscal year Category B, and C percentage of total APF and/or NAF operating expenses.

4. **FUNDING STANDARDS.** The basic standard, regardless of category, is to use APFs to fund 100% of costs for which they are authorized.

a. Category A - Category A activities are entitled to the highest degree of APF support, and virtually all expenses should be supported with APFs. There are a number of activities included in Category A for reporting purposes, even though they are not expected to be fully funded with APFs. Examples include installation-level central accounting offices, procurement, personnel offices, and similar activities. In addition, Category A programs at installation level are frequently collocated with other minor functions (incidental resale activities, etc.) that are not authorized APF support. Those functions are considered Category C for funding purposes, and should be reported in that category if their size is significant; however, in many cases, their small size makes it impractical to break them out and report them separately from their parent Category A program. For these reasons, the DoD APF standard for Category A is a minimum of 85% of total expenditures.

b. Category B - Category B activities have a limited ability to generate NAF revenues, and are therefore entitled to a substantial level of APF support. Category B activities could not be

sustained without a significant level of **APF support**. The **DoD** standard for **APF** funding is a minimum of 65% of the **total expenditures**.

c. Category C - Category C activities **have** the highest abilities **to generate** NAF revenues. In **general, APF** support should be limited. Category C activities operated at remote and isolated locations should **be funded** at a Category B authorization level. The Military **Services** shall report the **current fiscal** year Category C percentage of total **APF** and/or NAF operating expenses, using the same approach as outlined in paragraph **4.a**, above.

METRICS
NAF FINANCIAL ASSESSMENT REPORT

1. **PURPOSE.** The purpose of this report is to assess the NAF financial status of programs within each category and the financial health of the MWR single fired.

2. **FREQUENCY.** This metric shall be submitted by each of the Military Services to the Department of Defense in the Annual Report as required in DoD Instruction 1015.1 (reference (e)). **Income statement and balance sheet data shall be reported as of 30 September. The reports shall** be based on the Statement of Operations by MWR category submitted by each of the Military Semites.

3. **FINANCIAL STANDARDS**

a. **Category A** - Category A NAF revenue generating activity financial results in the aggregate must beat least **break-even** on an annual basis, excluding unit activities and common support pro rated functions.

b. **Category B** - Category B NAP financial results in the aggregate must be at least **break-even** on an annual basis excluding common support pro rated functions.

c. **Category C** - Each **program** in this category must be at least break-even on an annual basis excluding common support pro rated functions.

d. **MWR Single Fund**

(1) **MWR single** installation fired financial results must be at least break-even on an annual basis.

(2) The **MWR** installation fund must maintain an acid test ratio of at least 1:1.

4. **BREAK-EVEN.** **Break-even** financial results are defined as a zero or better net income before depreciation.

5. **ASSESSMENTS.** The data should show the number of installation **programs** or installation single funds rated green and the number rated **red**.

a. **Green.** Programs are rated green if they meet the standard of break-even or better.

b. **Red.** Programs are rated red if they do not meet the standard; i.e., if they do not at least break-even.

6. **REPORTING.** The Military Services shall report annually the following for all installations with **MWR** that have gross income over \$100,000 per year

a. The number and percentage of installations whose Category A programs, in **aggregate**, do not meet the financial standards.

b. The number and percentage of installations whose Category B programs, in aggregate, do not meet the financial standards.

c. The number and percentage of Category C programs that do not meet the financial standards based on the following groupings: clubs (all types, membership and nonmembership, **lumped** together), golf, bowling, **and** other (**all other Category C programs with individual gross incomes over \$1 00,000 per year lumped together**).

d. The number and percentage of **MWR** single installation funds that do not **meet** the financial **standards**. (Break-even and acid test reported separately).

PHYSICAL FITNESS SERVICES

A. GENERAL

1. DoD Directive 1308.1 (**reference** (w)) addresses physical fitness as a vital component of combat **readiness** and essential to the general health and well-being of DoD personnel. Individual Service members must possess the stamina and strength to perform any potential mission.

2. It is a DoD responsibility to provide the **necessary** physical fitness training areas and facilities through APF programs to ensure that DoD personnel **are sufficiently** fit to accomplish their assigned mission. However, when these APF training areas and facilities are not available to individual Service members due to their particular duty **assignment, MWR** programs may be used to supplement **required** physical fitness training.

B. FITNESS EXTENSION SERVICES

1. Where DoD installation facilities are not available, the use of APFs is authorized for contracting with community recreation centers; or **organizations** such as the Young Men's Christian Associations; Young Women's Christian Associations; and municipal, county, State, or private fitness facilities for **organizational** memberships for fitness by DoD personnel. Individual (**by** name) memberships paid for with Government funds are not authorized unless the **Military** Service grants a waiver due to unique circumstances.

2. APFs maybe used to contract for gymnasiums, running tracks, athletic fields, shower and/or locker facilities, recreation centers, and community centers, including **swimming pools** that are an integral part of these physical fitness facilities.

3. Contracting procedures in accordance with applicable law and regulation are to be used. Contract use shall be determined on a **case-by-case basis and be supported by sufficient data to demonstrate that broad-based use of the facilities in question is cost-effective. Before authorizing APFs for this purpose, the following data must be collected:**

a. A determination made whether DoD physical fitness facilities are reasonably available.

b. An assessment to:

(1) Confirm the inadequacy of available physical fitness facilities.

(2) Document local circumstances and commuting distance to the nearest DoD installation having physical fitness facilities.

(3) Determine whether adequate fitness facilities are available without cost to military personnel in the civilian community where they are assigned.

(4) **Certify** APFs **are** available within current resources to support the **requirement**.

c. **Determination** whether it is more **cost-effective** to build or lease facilities.

d. Commanders certification that **this is** in the **best** interest of the **Government**.

4. An annual review of these physical fitness arrangements shall be prepared to determine past and future usage of the facilities and a justification for continuing with the arrangements.

COMMERCIAL SPONSORSHIP POLICY

A. GENERAL

1. **Commercial** sponsorship is the **act of** providing assistance, funding, goods, equipment **(including fixed assets)**, or services **to an MWR program(s) event(s)** by **an** individual, agency, **association, company or corporation, or other entity** (sponsor) for a specific (limited) period of time in return for public recognition or advertising promotions. Commercial sponsorship is either unsolicited or solicited and is authorized only for support of DoD **MWR** programs shown in enclosure 4. It does not include volunteer work or activities or outright donations where no volunteer or donor recognition or acknowledgment is expected or required. This program does not include nor refer to those products and **services** that are considered **gifts** or donations nor those items **considered** to be premiums, coupons, or limited samples. Any funds, products, **services**, or items resulting from the **commercial** sponsorship programs shall be used only within the **MWR program**.

2. **commercial** sponsorship is authorized only if the DoD Component or Military **Service** has established standard **procedures** to **ensure** the following:

a. Education and training procedures are developed and administered to those individuals authorized to work with the **commercial** sponsorship program.

b. Obligations and entitlements of the sponsor and the **MWR** program are incorporated into a written agreement that shall be for a 1 year period or less. The period covered by the original agreement and any annual renewals will not exceed a total of 5 years. This does not prevent the award of a new contract to the same sponsor after the initial 5-year period. **All** agreements shall receive a legal review.

c. Assistance provided is **commensurate** with the level of sponsorship offered.

d. Special concessions or favored treatment **are** not provided to sponsors, with the exception of public recognition and advertising entitlements addressed in the agreement. In **addition**, individuals or entities not providing sponsorship are not treated with disfavor or suffer any form of **reprisal**.

e. **Appropriate disclaimers** are required in any public recognition or advertising media since the Department of Defense does not endorse nor favor any commercial supplier, **product**, or service.

f. The contents of all public recognition and advertising **media**, to be used by or for the sponsor, that refers to any part or program of the Department of Defense, are reviewed by the DoD Components for consistency with DoD and Component policies, and are otherwise appropriate under the agreement.

g. Agreements concerning TV and radio broadcast rights to **MWR** events, and pm-event publicity related thereto, **are** entered into after coordination with Office of the Assistant Secretary of Defense for Public Affairs for DoD **inter-Service** events, or the public affairs office of the military component concerned where only one Military Department is involved.

h. Tobacco and alcoholic beverage (including beer) sponsorship shall not be solicited. If **offered**, sponsorship may be accepted only if unsolicited and not directed predominately **or** exclusively at the military, provided a responsible use campaign and Surgeon General's warning is **part** of the sponsorship.

i. **The commercial sponsor certifies in writing that its costs of the sponsorship shall not be charged to any part of the Federal Government.**

j. **The DoD** Component shall maintain a **record** of all **MWR-sponsored** events to include the sponsor's name and organization, the type and amount of the sponsor's assistance, funding, goods, **equipment**, or **services** provided and the disposition and use of that assistance, **funding**, goods, **equipment**, or **services provided** within the **MWR** programs.

k. **Commercial** sponsorship opportunities shall be coordinated with the Armed Forces Exchange to ensure they do not violate existing understandings or agreements.

3. **commercial sponsorship** is authorized for **MWR** events at open houses only when specifically approved by the Head of the DoD Component or designated representatives. DoD open house programs are public affairs activities. **MWR commercial sponsorship** guidelines shall be followed at open houses.

B. SOLICITED

1. This sponsorship is specifically solicited on behalf of the **MWR** program and/or event **from** a potential sponsor willing to provide support for the mutual benefit of the sponsor and the **MWR** program and/or event.

2. The **DoD** Components and Military Services shall develop **written** procedures and guidelines for commercial sponsorship program. They shall maintain records on the value of commercial sponsorship funding by solicited and unsolicited with a separate breakout of the value of unsolicited alcohol and tobacco sponsorship.

3. **Commercial** sponsorship shall be based on principles similar to those that guide NAF contracting; e.g., competition, evaluation of offers, etc. Additionally:

a. **Each installation authorized to accept solicited commercial sponsorship products and services shall designate the individual(s) by name who will work with this type of sponsorship.**

b. Sponsors shall be solicited competitively from an adequate number of known U.S. sources and **generally** limited to firms and organization involved with consumer products. If

feasible, announcements of solicitations shall be placed in appropriate publications to reach the maximum number of potential sponsors. The NAF contracting official should act in an advisory Capacity.

c. **Officials** who exercise contracting authority shall not solicit **for commercial** sponsorship. This does not preclude normal **NAF** contracting in support of commercially sponsored **MWR** program and/or events.

4. *In overseas areas*, solicitation of **non-U.S.** firms is authorized with the **commander's** approval provided solicitation is not in violation of Status of Forces Agreements (SOFA) or treaty agreements.

c. **UNSOLICITED**. unsolicited **commercial** sponsorship shall be treated the same as solicited **commercial sponsorship** except that it has been wholly and entirely initiated by the prospective sponsor without prior knowledge of the needs of the **MWR** program or installation. After **an appropriate** inquiry **from** a prospective sponsor, the installation point-of-contact for sponsorship may inform sponsor of the needs. The unsolicited sponsor should then furnish a letter or memorandum of intent to the installation to assist in preparing the sponsorship agreement. Unsolicited sponsorship is otherwise subject to the policies outlined in section A of this enclosure, above.

ADVERTISING POLICY

A. **GENERAL.** DoD MWR programs **must** communicate their presence and the availability of goods and services they offer to as many potential **patrons** as they can. Such communication shall not reflect unfavorably on the **Department of Defense**.

B. POLICY

1. **MWR programs may pay to advertise MWR goods, services, ~~tertainment~~, and social** events in Department of Defense newspapers (DoD Instruction 5120.4, reference (x)) including **installation cable** television. The following may be included in the advertisement brand names and item prices, feature acts, films, or talents, and admission price or cover **charges**, and names of **commercial** sponsors.

2. **MWR programs may pay to advertise their services and events in other than DoD** newspapers, provided the chosen **media** is **circulated** to, **written** for, or geared to an audience consisting **primarily** of **military** or DoD civilian personnel, or other **authorized** patrons. When advertising in such **non-DoD** publications, a disclaimer shall be used to similar to: "**this** offeror event is open only to authorized patrons." This policy shall not be **interpreted** to apply to publications distributed to a more general audience.

3. **MWR programs may pay to advertise in appropriate civilian media when MWR events are open to the public, subject to the following conditions:**

a. Events shall not directly compete with similar events offered in the local **civilian** community. Open events shall be **coordinated** in advance with the **local public** affairs office.

b. Open events must be **infrequent**, not weekly or monthly, increase military and/or civilian interaction, and enhance community relations.

c. Merchandise shall not be advertised; however, event-related merchandise and **food** and beverages may be sold for on-premises consumption.

d. **OCONUS** advertising shall **conform to existing SOFA regulations, command policy, and local laws**.

4. **MWR programs** (excludes exchange programs) may sell space for **commercial** advertising in any media (printed, signs, electronic) produced for or prepared by them and may accept payment for such advertising subject to the following conditions:

a. Publication of paid commercial advertising by **MWR** programs is bound by similar standards that apply to civilian enterprise publications.

b. Advertising shall include a disclaimer that it does not constitute a DoD endorsement.

c. Acceptance of paid commercial advertising on Armed Forces Radio and Television Service (**AFRTS**), local commander's channels, or any APF electronic media is prohibited.

d. Local **commanders** shall make final decisions on acceptance of advertising and must consider public perceptions, impact to the local economy, and the effect on the local civilian enterprise newspaper, installation guide, and **installation** map.

e. Advertising in **MWR** media **is** based on reaching bona fide users in accordance with established patronage policies.

f. The **MWR** media are not distributed off the **installation**. Mailing to authorized patrons is **permitted**.

5. Mailings to authorized MWR patrons of announcements **pertaining** to sales in and services **provided** by **MWR** programs are **authorized**. **Mailings** containing advertisement of specific **commercial** products, commodities, or **services** provided by or for any private individual, **firm**, or corporation are **authorized** only to those patrons who voluntarily have requested to receive such mailings. The cost of promotional mailings to include postage shall be paid with NAF.

6. MWR programs may contribute articles and stories for publication as unpaid information items in DoD newspapers, plan-of-the-day, AFRTS, and installation cable TV, and other media intended primarily for distribution to authorized patrons.

7. Ads, **premiums**, coupons, and samples (except tobacco and alcohol) maybe distributed directly to authorized patrons. A disclaimer is not required for items provided as premiums, coupons, and samples. **MWR** programs may accept premiums with a value of \$10.00 or less when voluntarily initiated and prepared by suppliers. Ads and promotional devices that **are** primarily advertising devices, prepared by **non-DoD** sources, shall not be distributed through official channels. Such media may be placed in locations on the **installation** for personal pickup. A disclaimer is required to the effect that the Department of Defense does not **endorse**, pay for, nor sponsor such promotional media. **MWR** programs shall not solicit **funds** from suppliers or other **non-DoD** sources to offset costs of premiums, nor may they request such suppliers or sources to prepare or provide special premiums at their expense.

8. **MWR** activities may use point of sale displays and promotional material, such as reduced price and special offer coupons, and may participate in national and **local** coupon redemption programs available to the general public or to the military community.

MWR SUPPORT TO MILITARY MISSIONS IN FOREIGN COUNTRIES

- A. The DoD Components shall provide MWR NAF support to military personnel assigned to military missions (Military Assistance Advisory Groups, attaches, missions, contingents, or Security Assistance Offices (SAGS)) to **foreign** countries as shown in **the** attachment and as required in DoD Directive 5132.3 (reference (y)). Elements within listed countries shall not receive NAF support **from** more than one Military **Department**. At a **minimum**, the DoD Components shall determine and provide a uniform per capita distribution of NAFs. The amount of distribution shall be **reviewed** annually by the DoD Component **for** adjustment.
- B. Required APF support should be budgeted by the appropriate Unified Command.
- C. DoD **Component** responsibility is outlined in the attachment. Requests to alter these support arrangements shall be approved by the **ASD(FMP)**. However, if a DoD Component wants to provide support to a specific element within a country assigned to another DoD **Component**, mutual arrangements may be made between the two Components concerned.
- D. The Marine **Corps** shall provide MWR support for Embassy Marine Guard personnel.
- E. Where possible, in-country MWR programs for military missions **shall** be integrated with other embassy and DoD MWR programs to provide a balanced program.

Attachment

Military Service Responsibility for MWR Programs Support

MILITARY SERVICE RESPONSIBILITY FOR MWR PROGRAMS SUPPORT

<i>Army</i>	<i>Navy</i>	<i>Air Force</i>
Afghanistan	Malaysia	Argentina
Algeria	Marshall Islands	Australia
Angolia	Mexico	Barbados
Austria	Mozambique	Chile
Bangladesh	Namibia	Denmark
Belgium	Nepal	Dominican Republic
Belize	New Zealand	China (Beijing)
Bolivia	Nicaragua	Ethiopia
Botswana	Niger	Fiji
Burma	Nigeria	India
Cameroon	Panama	Indonesia
Columbia	Paraguay	Italy
Congo (Brazzaville)	Philippines	Japan
Costa Rica	Poland	Liberia
Cyprus	Romania	Malta
Ecuador	Rwanda	Morocco
El Salvador	Somalia	Norway
Fiiand	suriname	Oman
France	Syria	Senegal
Germany (Bonn)	Tunisia	Singapore
Ghana	United Arab Emirates	Sri Lanka
Greece	Uruguay	Sudan
Guatemala	USSR (Former)	Thailand
Guyana	Armenia	
Haiti	Azerbaijan	Sweden
Hong Kong	Belarus	Switzerland
Hungary	Georgia	Turkey
Iran	Kazakhstan	United Kingdom
Iraq	Lithuania	Venezuela
Ireland	Tajikistan	Yugoslavia (Former)
Ivory Coast	Ukraine	Croatia
Jamaica	Uzbekistan	
Kenya	Yemen	
Korea	Zaire	
Kuwait	Zimbabwe	
Lebanon		
Luxembourg		
Malawi		

ALCOHOLIC BEVERAGES

A. **Use of Alcoholic Beverages**. The DoD Components **will** establish programs, policies, and procedures consistent with DoD Directive 1010.4 (**reference** (z)) to **deglamorize** the use of alcohol, to discourage and treat its irresponsible use, and to offer alternative leisure time activities.

B. Age Restrictions

1. Drinking Age

a. **The** minimum drinking age on a DoD **installation** located in **a** State (including the District of Columbia) shall be consistent with the age established by **the** law of that State as the State **minimum** drinking age. Minimum drinking age means the minimum age established for persons who may purchase, possess, or consume alcoholic beverages (.10 **U.S.C.** 2683, **reference** (r)).

b. **In the case of a DoD installation located in more than one State or in one State but within 50 miles of another State or Mexico or** the minimum drinking age on that DoD installation shall be the lowest applicable age of the State in which the DoD **installation** is located or the State or jurisdiction of Mexico or Canada that is within 50 miles of such DoD installation (Section 2683 of **reference** (r)).

c. The minimum drinking age on a DoD installation located outside the United States shall be 18 years of age. Higher minimum drinking age will be based on international treaties and agreements and on the local situation as determined by the local installation commander.

d. The commander of a DoD installation may waive the requirement of paragraphs **B.1.a., b., and c., above, if such commander determines that the exemption is justified by special circumstances. Special circumstances are those infrequent, non-routine military occasions when an entire unit, as a group, marks at a military installation a uniquely military occasion such as the conclusion of arduous military duty or the anniversary of the establishment of a military service or organization. The event must be held on a military installation. The commander shall ensure that appropriate controls are in place to prevent endangering Military Service members or the surrounding community.**

2. Serving alcoholic beverages

a. **In the United States, no person under 21 years of age will be employed to dispense, handle, or serve alcoholic beverages unless permitted by laws of the State in which the installation is located. In such cases, the State minimum age laws may be followed.**

b. Outside the United States, no person under 18 years of age shall be employed to dispense, handle, or serve alcoholic beverages. A higher serving age shall be based on

international **treaties** and agreements and on the local situation as determined by the local installation commander.

c. NAFI Purchase of Alcoholic Beverages

1. Alcoholic **beverages** containing **distilled** spirits pure based for resale on a DoD **installation** located in the contiguous United States, including the District of **Columbia**, shall be made from the most competitive source, price, and other **factors** considered. Alcoholic **beverages** containing distilled spirits purchased for sale on a military **installation** in Alaska or Hawaii shall be made **from**, and delivery shall be accepted **from**, a source within the respective State in which the DoD **installation** concerned is located. Malt beverages and wine **purchased** for resale on a DoD **installation** in the United States shall be made **from**, and delivery shall be accepted **from**, a source within the respective State in which the DoD installation concerned is located (including the District of-Columbia) (10 **U.S.C.** 2488, reference (r)).

2. If a DoD installation located in the contiguous States is located in more than one State, a source of supply in any State in which the installation is located shall be considered a source within the State in which the installation is located. (See section 2488 of reference (r).)

D. Authorized Sales. The **Secretaries** of **the** Military Departments may issue regulations controlling the sale of alcoholic beverages dispensed by the **drink**, or beer sold in other than sales outlets for packaged alcoholic beverages. The Directors of Defense Agencies shall coordinate with the Military Service concerned in the preparation of a memorandum of understanding detailing Defense Agency responsibilities for the sale of alcoholic beverages.